

Saver's Tax Credit

Most know that making eligible contributions to your IRA or employer-sponsored retirement plan may be tax deductible, but did you know that you may also be eligible for a tax **credit**?

Who Is Eligible?

You're eligible to take a tax credit if you meet the following criteria:

- ⊕ Ages 18 or older
- ⊕ Not claimed as a dependent on another person's tax return
- ⊕ Not a student

You qualify as a student if during any part of the 5 calendar months of the tax year you:

- ⊕ Were enrolled as a full-time student at a school
- ⊕ Took a full-time, on-farm training course given by a school or a state, county, or local government agency.

A school includes technical, trade, and mechanical schools. It does not include on-the-job training courses, correspondence schools, or schools offering courses only through the Internet.

Credit Amounts

Your AGI reported on your 1040 Form series return determines if the credit amount is 50%, 20% or 10% of:

- ⊕ Contributions you make to a traditional or Roth IRA,
- ⊕ Elective salary deferral contributions to a 401(k), 403(b), governmental 457(b), SARSEP, or SIMPLE plan,
- ⊕ Voluntary after-tax employee contributions made to a qualified retirement plan (including the federal Thrift Savings Plan) or 403(b) plan,
- ⊕ Contributions to a 501(c)(18)(D) plan, or
- ⊕ Contributions made to an Achieving a Better Life Experience (ABLE) account for which you are the designated beneficiary (beginning in 2018).

The credit is available for contributions to a traditional or Roth IRA, rollover contributions do not qualify for the tax credit. The maximum annual contribution eligible for the credit is \$2,000 (\$4,000 if married filing jointly), and the maximum credit is 50%, making the maximum saver's credit \$1,000 (\$2,000 if married filing jointly).

2023 TAX CREDIT				
TAX FILING STATUS	50% of Contribution	20% of Contribution	10% of Contribution	Not eligible for credit
Married filing jointly (AGI)	Not to exceed \$43,500	\$43,501–47,500	\$47,501–73,000	Greater than \$73,000
Head of household (AGI)	Not to exceed \$32,625	\$32,626–35,625	\$35,626–54,750	Greater than \$54,750
Single (AGI)	Not to exceed \$21,750	\$21,751–23,750	\$23,751–36,500	Greater than \$36,500